

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

IN RE:)	Chapter 11
)	
IYS VENTURES LLC,)	Case No. 23-06782
)	
Debtor.)	Hon. David D. Cleary

NOTICE OF MOTION

TO: Attached Service List

PLEASE TAKE NOTICE THAT on January 8, 2025, at 10:00 a.m., I shall appear before the Honorable Judge David D. Cleary, or any other judge sitting in his stead, either in Courtroom 644, 219 South Dearborn Street, Chicago, Illinois, or electronically as described below and request a hearing on the Debtor's Objection to The Huntington National Bank's Proof of Claim No. 12, a copy of which is attached hereto and thereby served upon you.

Important: Only parties and their counsel may appear for presentation of the motion electronically using Zoom for Government. All others must appear in person.

To appear by video, use this link: <http://www.zoomgov.com/>. Then enter the meeting ID and password.

To appear by telephone, call Zoom for Government at 1-669-254-5252 or 1-646-828-7666. Then enter the meeting ID and password.

Meeting ID and password. The meeting ID for this hearing is Meeting ID: 161 122 6457 and the password is Cleary644. The meeting ID and password can also be found on the judge's page on the court's website.

If you object to this motion and want it called on the presentment date above, you must file a Notice of Objection no later than two (2) business days before that date. If a Notice of Objection is timely filed, these motions will be called on the presentment date. If no Notice of Objection is timely filed, the Court may grant the motions in advance without a hearing.

/s/ Gregory K. Stern

Gregory K. Stern

CERTIFICATE OF SERVICE

I, the undersigned, an attorney, hereby certify that pursuant to Section II, B, 4 of the Administrative Procedures for the Case Management/Electronic Case Filing System, I caused a copy of the foregoing NOTICE OF MOTION and OBJECTION to be served on all persons set forth on the attached Service List identified as Registrants through the Court's Electronic Notice for Registrants and, as to all other persons on the attached Service List by U.S. Mail on the 4th day of December, 2024.

/s/ Gregory K. Stern

Gregory K. Stern

Gregory K. Stern (Atty. ID #6183380)
Monica C. O'Brien (Atty. ID #6216626)
Dennis E. Quaid (Atty. ID #02267012)
Rachel S. Sandler (Atty. ID #6310248)
53 West Jackson Boulevard
Suite 1442
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(312) 427-1558

SERVICE LIST

Registrants Served Through The Court's Electronic Notice For Registrants

Adam Brief, Acting United States Trustee
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Chicago, Illinois 60604

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John J. Morgan
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Stamford, CT 06905

Parties Served Via United States Mail

IYS Ventures, LLC
15416 South 70th Court
Orland Park, IL 60462

The Huntington National Bank
Attn: President: Stephen D. Steinour
17 S. High Street
Columbus, Ohio 43215

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EASTERN DIVISION

IN RE:)	Chapter 11
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OBJECTION TO THE HUNTINGTON NATIONAL BANK’S CLAIM NO. 12

Now comes IYS Ventures LLC, Debtor and Debtor-in-Possession, by and through its attorneys, Gregory K. Stern, Monica C. O’Brien, Dennis E. Quaid, and Rachel S. Sandler, and for its Objection to The Huntington National Bank’s Claim No. 12 (the “Objection”) pursuant to Rule 3007 of the Federal Rules of Bankruptcy Procedure, states as follows:

JURISDICTION AND STATUTORY PREDICATES

1. This Court has jurisdiction over this Motion pursuant to 28 U.S.C. §§ 157, 1334 and Internal Operating Procedure 15(a) of the United States District Court for the Northern District of Illinois and venue of the above-captioned case (the “Chapter 11 Case”), and of this Motion is proper in this Judicial District pursuant to 28 U.S.C. §§ 1408 and 1409.

2. This matter constitutes a core proceeding under 28 U.S.C. §157(b)(2)(A), (B) and (O) and this Court has the Constitutional authority to adjudicate the merits of this Objection. Debtor consents to this Court adjudicating the merits of this Objection and entering a final order disposing of this matter.

3. The predicates for the relief requested herein are 11 U.S.C. § 105(a) and Bankruptcy Rule 3007 of the Federal Rules of Bankruptcy Procedure.

A. BACKGROUND

4. On May 23, 2023, the Debtor filed a Voluntary Petition for relief under Chapter 11 of

the United States Bankruptcy Code; and, the Debtor, as Debtor in Possession, has continued in possession of its property, pursuant to §§1107 and 1108; and no trustee has been appointed in this case.

5. On August 9, 2023, The Huntington National Bank (“Huntington”) filed a Proof of Claim in the amount of \$5,640,225.03 asserting and unsecured claim for a debt arising from “Account overdraft and treble damages” that was assigned Claim No. 12 (the “Proof of Claim”) on the Claims Register maintained by the Clerk of the United States Bankruptcy Court for the Northern District of Illinois, a copy of which is attached hereto as Exhibit A and made a part hereof (the “Huntington Proof of Claim” or “Proof of Claim”)¹. The Proof of Claim contained exhibits (Pages 4 - 187) including a Complaint (Exhibit 1, Pages 4 - 32) filed March 6, 2023, in the United States District Court for the Northern District of Illinois, that was assigned case number 23-cv-01368 alleging a variety of allegations arising from overdrafts due to dishonored deposits and ACH deposits and including Breach of Contract (Counts I, II), Fraud (Count III), Wire Fraud (Count IV), Conspiracy to Commit Wire Fraud (Count V), Bank Fraud (Count VI), Conspiracy to Commit Bank Fraud (Count VII), Civil Conspiracy (Count VIII), Conversion (Count IX) and Unjust Enrichment (Count X) (the “District Court Lawsuit”).

7. On July 6, 2023, a default order was entered against all of the party defendants, other than the Debtor, in the District Court Lawsuit; and on July 26, 2023, an Order and Judgment in the amount of \$5,829,551.10 was entered in the District Court Lawsuit (the “Judgment”). “The final judgment amount represents treble damages of Plaintiff’s actual damages pursuant to 11 U.S.C. §1964(c), Plaintiff’s attorneys’ fees and costs of this suit pursuant to 11 U.S.C. §1964(c), and pre-judgment interest on Plaintiff’s actual damages.” (See, Order and Judgment, page 2, paragraph 3)

¹ Due to the voluminous exhibits, only the Official Form 410 is attached as Exhibit A.

8. The Judgment was entered after the Debtor had commenced this case and the automatic stay precluded the entry of judgment against the Debtor. Notwithstanding that the Judgment was not entered against Debtor, Huntington attached the Judgment Order as an exhibit supporting its Proof of Claim No. 12. (See, Proof Claim, exhibits pages 177 – 179)

C. GROUND FOR OBJECTION

9. Debtor disputes its liability for the amounts asserted in Proof of Claim No. 12 on one or the following grounds:

- A. Debtor committed no action that would entitle Huntington to an award of treble damages;
- B. Debtor disputes the accuracy of the debt of \$1,880,075.01 as failing to give credit for all deposits clearing its accounts at Huntington.

WHEREFORE, the Debtor, IYS Ventures, LLC prays for the entry of an order disallowing Huntington's Claim No. 12; and allowing its claim as a non-priority unsecured claim in the correct amount of the accounts between the parties and, for such other relief as this Court deems just.

/s/ Gregory K. Stern
Gregory K. Stern, Esq.

Gregory K. Stern (Atty. ID #6183380)
Monica C. O'Brien (Atty. ID #6216626)
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